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[redacted]

ARMY and DIA review(s) completed.

State Department review completed

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TOP SECRET
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GENERAL

1. Soviet-Swedish civil air agreement probable--The Swedish Minister in Moscow has told US Charge Durbrow that he expects a Soviet-Swedish civil air agreement to be concluded shortly, providing service between Moscow and Stockholm with transfer at Helsinki. The Minister added that negotiations had been most difficult; the Soviets refused to consider reestablishment of pre-war two-way Moscow-Stockholm traffic and proposed instead, an exclusive and direct Soviet service which the Swedes rejected.

2. Mongolian Peoples Republic requests FEC representation--US Embassy Moscow has transmitted to Secretary Byrnes a formal request from Choibalsan, Prime Minister of the Mongolian Peoples Republic, for representation on the Far Eastern Commission. The request, sent simultaneously to all other members of the Commission, details the contributions which the MPR claims to have made on "the side of the United Nations in their struggle against Fascist aggressors" as justification for inclusion in the Commission.

EUROPE

3. USSR: New assignments for Malenkov and Abakumov--US Military Attache Moscow reports that a decree of the Presidium of the Supreme Soviet confirms the appointment of G.M. Malenkov as Assistant Chairman of the Council of Ministers and relieves him of duties as a member of the Presidium [redacted] The decree also announces the appointment of V.S. Abakumov as Minister of State Security. (During the war, Abakumov was reportedly chief of military counter-intelligence.)

25X1

The MA comments that there is no indication of whether Malenkov's reassignment constitutes a promotion or a demotion, nor is there any information as to what has become of Merkulov, former Minister of State Security.

US bombers parked near Soviet air research center--The MA also reports that the US Air Attache has seen a B-29, a B-24 and a B-17 parked near an air research center in the vicinity of Moscow.

ARMY, DIA and DOS 59 review(s) completed.

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THE C.I.A. HAS NO OBJECTION TO THE DECLASSIFICATION OF THIS DOCUMENT.
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4. RUMANIA: US employees implicated in subversive group--US Representative Berry reports that the Rumanian Government has indicted sixty-six persons - two of them Rumanians employed by the US - on charges of activity in a subversive organization. Berry believes that the trial, which is expected to begin soon, will be directed primarily against the historical parties with a view to discrediting them prior to the elections on 19 November. Berry does not know how the government intends to exploit the inference in the indictment that the US Missions "are interested" in the subversive organization. 25X1

5. HUNGARY: Leftists make "moderate" demands--Premier Nagy has told US Minister Schoenfeld that demands submitted to him by the Leftists on 8 October were more moderate than expected and embodied many points "acceptable" to his political program. Nagy hopes to avoid open conflict with the Leftists and to continue the coalition Government for at least one year. He believes that the Soviets will not interfere on behalf of the Hungarian Communist Party and attributes Soviet restraint to developments at Paris which at least "have given the Soviets momentary pause."

6. ITALY: Increasing disorders anticipated--According to US Charge Key, Prime Minister De Gasperi considers that further disturbances similar to the recent Rome riot are likely. Key notes that the problem of public order is aggravated by a "floating population" of refugees, and the fact that the Italian police are ill-trained and ill-equipped. He recommends that the US seriously consider joint plans for Italian refugee dispersal.

7. AUSTRIA: Food situation critical--US Charge Denby and the Commanding General USFA report increasing labor unrest resulting from the low food ration and urge that UNRRA contributions to Austria be increased and expedited by all possible means, including diversion from adjacent countries. Chancellor Figl declares that the "entire position" of his govern-

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ment is at stake, and that the present coalition cannot be maintained unless the ration can be rapidly increased to 1500 calories per day.

8. GREECE: US seeks to prevent major crisis--The State Department has informed Ambassador MacVeagh that it considers that the strained state of international relations centering on Greece may result in a major crisis which can become a deciding factor in the future orientation of Near and Middle Eastern countries. The Department believes it essential to US security that Greece remain independent. It adds that the US is prepared to take appropriate steps to support the territorial and political integrity of Greece.

In accordance with the Department's instructions MacVeagh has held a confidential conversation with King George in which he impressed upon the King the importance the US places on a broadened government and the necessity for removing the most "reactionary extremists" from the present regime. MacVeagh believes that the King will try his best to achieve a government sufficiently moderate to justify US support.

NEAR EAST-AFRICA

9. IRAN: Tudeh dropped in new Iranian Cabinet--US Ambassador Allen reports that the new Iranian cabinet is primarily a "Qavam Party" government with the exception of two members essentially loyal to the Shah. Allen does not believe that the Tudeh Party will accept this change quietly. He expects demonstrations to be organized from which serious disturbances may result; Soviet reaction against Qavam will probably be violent and armed conflict may break out in Azerbaijan. Allen further reports that the Shah claims credit for the change of cabinet.

FAR EAST

10. KOREA: Popular demand for Joint Commission--General Hodge reports that he has received from the coalition committee of leftists and rightists which has been supporting the Military Government's plans for unification and self-government in South Korea a petition for resumption of Joint Commission sessions [redacted] 25X1

25X1 [redacted]

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11. CHINA: Marshall queried on "airing" Dairen issue--The State Department has asked General Marshall whether he considers it preferable to continue the present "ad hoc procedure" for communications with Consulate Dairen or to raise the whole issue with Moscow. The Department considers that the latter course might result in Soviet obstructions or refusal, but that "airing the issue" might have a "salutary effect on the overall situation" in the Far East.

12. FRENCH INDOCHINA: Status of "modus vivendi" agreement--US Consul Saigon reports that D'Argenlieu and Ho Chi Minh will open conversations at Camranh Bay in the near future on the implementation of the "modus vivendi" agreement. To date, little has been done to carry it out. Various sources have indicated to the Consul that the reason lies in a lack of cooperation on the part of the local French military authorities and certain persons highly placed in the French administration who desire a return to the pre-war status quo.

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